

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re	§	Chapter 11
	§	
	§	
MINING PROJECT WIND DOWN	§	Case No. 22-90273-MI
HOLDINGS, INC. (f/k/a Compute North	§	
Holdings, Inc.), <i>et al.</i> , ¹	§	
	§	(Jointly Administered)
Debtors.	§	
	§	

**JOINT STATEMENT OF DEBTORS AND BOOTSTRAP ENERGY, LLC
OF RULE 11 INQUIRY IN RESPONSE TO COURT’S ORDER**

Mining Project Wind Down, Inc. (f/k/a Compute North Holdings, Inc.), and its above-captioned affiliates as debtors and debtors in possession (collectively, the “**Debtors**”), and Bootstrap Energy, LLC (“**Bootstrap**”, and together with the Debtors, the “**Parties**”), hereby file this *Joint Statement of Rule 11 Inquiry in Response to Court’s Order* and in support thereof, respectfully represent as follows:

1. On January 13, 2023, the Debtors filed their *Second Omnibus Objection to Certain Proofs of Claim [Equity Interests, Satisfied Claims]* [Docket No. 815] (the “**Claim Objection**”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Mining Project Wind Down Holdings Inc. (f/k/a Compute North Holdings, Inc.) (4534); Mining Project Wind Down LLC (f/k/a Compute North LLC) (7185); Mining Project Wind Down Corpus Christi LLC (f/k/a CN Corpus Christi LLC) (5551); Mining Project Wind Down Atoka LLC (f/k/a CN Atoka LLC) (4384); Mining Project Wind Down BS LLC (f/k/a CN Big Spring LLC) (4397); Mining Project Wind Down Colorado Bend LLC (f/k/a CN Colorado Bend LLC) (4610); Mining Project Wind Down Developments LLC (f/k/a CN Developments LLC) (2570); Mining Project Wind Down Equipment LLC (f/k/a CN Equipment LLC) (6885); Mining Project Wind Down King Mountain LLC (f/k/a CN King Mountain LLC) (7190); Mining Project Wind Down MDN LLC (f/k/a CN Minden LLC) (3722); Mining Project Wind Down Mining LLC (f/k/a CN Mining LLC) (5223); Mining Project Wind Down Pledgor LLC (f/k/a CN Pledgor LLC) (9871); Mining Project Wind Down Member LLC (f/k/a Compute North Member LLC) (8639); Mining Project Wind Down NC08 LLC (f/k/a Compute North NC08 LLC) (8069); Mining Project Wind Down NY09 LLC (f/k/a Compute North NY09 LLC) (5453); Mining Project Wind Down STHDAK LLC (f/k/a Compute North SD, LLC) (1501); Mining Project Wind Down Texas LLC (f/k/a Compute North Texas LLC) (1883); Mining Project Wind Down TX06 LLC (f/k/a Compute North TX06 LLC) (5921); and Mining Project Wind Down TX10 LLC (f/k/a Compute North TX10 LLC) (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 300 North LaSalle, Suite 1420, Chicago, Illinois 60654.

2. On January 24, 2023, Bootstrap filed its *Emergency Motion Under Bankruptcy Rule 3018 to Temporarily Allow \$4.1 Million Class 3 Claim No. 10058 for Voting Purposes* [Docket No. 855] (the “**3018 Motion**”).

3. Also on January 24, 2023, the Court entered its order (“**Order**”) [Docket No. 856], ordering the Debtors and Bootstrap to make Rule 11 inquiries into seemingly contradictory verified statements made by each of the respective Parties in support of the Claim Objection and the 3018 Motion.

4. Bootstrap asserts the following: Bootstrap has inquired into the statement of Steve Quisenberry in support of the 3018 Motion that Bootstrap has received no payment on its proof of claim number 10058 (“**Claim**”) in the amount of \$4,114,400.00. Bootstrap has determined that this statement is true and correct as stated, as Bootstrap has not received any payment on account of the debt alleged in its Claim. Bootstrap will continue to work in good faith to resolve the disputes between the parties.

5. Debtors assert the following: The Debtors have inquired into the statement of Ryan Mersch in support of the Claim Objection that the Claim has been satisfied in full. The Debtors have determined that the statement was true and correct as Mr. Mersch and the Debtors understood the financial relationship between the Parties to be at the time the Claim Objection was filed. Specifically, in conjunction with the Debtors’ sale process, a sale transaction between the Parties was contemplated and negotiated, but never ultimately finalized, whereby, among other things, Bootstrap offered to release its prepetition Claim. Bootstrap subsequently withdrew the offer, but the transaction was inadvertently accounted for during the process of conducting claims reconciliation by the Debtors and their financial advisors in determining whether or not the Debtors were liable to Bootstrap on the Claim.

6. The Debtors submit that the conflicting statements were made in good faith and with the belief that such statements were true and correct at the time they were made. The Debtors assert they will continue to work in good faith to resolve the disputes between the parties.

Respectfully submitted: January 25, 2023

**FERGUSON BRASWELL
FRASER KUBASTA PC**

By: /s/ Rachael L. Smiley
Rachael L. Smiley (State Bar No. 24066158)
2500 Dallas Parkway, Suite 600
Plano, TX 75093
Phone: 972-378-9111
Fax: 972-378-9115
rsmiley@fbfk.law

**EFFICIENCY COUNSEL
FOR DEBTORS**

-and-

PAUL HASTINGS LLP

By: /s/ James T. Grogan
James T. Grogan III (TX Bar No. 24027354)
Schlea Thomas (admitted *pro hac vice*)
600 Travis Street, 58th Floor
Houston, Texas 77002
Telephone: (713) 860-7300
Facsimile: (713) 353-3100
Email: jamesgrogan@paulhastings.com
schleathomas@paulhastings.com

**COUNSEL TO DEBTORS AND
DEBTORS IN POSSESSION**

-and-

By: /s/ Mark A. Castillo
Mark A. Castillo
Texas State Bar No. 24027795
Southern Dist. Admin. No. 31520
Robert C. Rowe
Texas State Bar No. 24086253
Southern Dist. Admin. No. 3782278

CARRINGTON, COLEMAN, SLOMAN
& BLUMENTHAL, L.L.P.

901 Main St., Suite 5500

Dallas, TX 75202

Telephone: 214-855-3000

Facsimile: 214- 580-264

Email: markcastillo@ccsb.com
rrowe@ccsb.com

COUNSEL FOR BOOTSTRAP ENERGY LLC